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SUBJECT: THE FIJI COUP: WHAT EFFECTS? WHAT IMPLICATIONS?

REF: SUVA 552 (AND PREVIOUS)

Classified By: Amb. Dinger. Sec. 1.4 (B,D).

Summary

11. (C) A number of motivations lie behind Republic of Fiji Military Forces (RFMF) Commander Bainimarama's coup, some seemingly noble, some not. An unbiased observer would have to conclude, though, that Fiji's situation was not so wrenching as to require illegally removing the Qarase Government. This cable analyzes a series of issues potentially affected by the coup: corruption; electoral reform; the ethnic divide; chiefly roles; land reform; civil service reform; crime; PKO participation; rule of law; human rights; the economy; the brain drain; judicial purity; fiscal responsibility; and the RFMF/Bainimarama reputation, including for truthfulness, decision-making, bullying, and relying on "yes men." We wrap up by considering what the coup means beyond Fiji, discussing troubles for Australia and New Zealand, noting an attempt to play the China card, and arguing (paras 6-7) that U.S. sanctions should be tough and imposed with the aim to motivate the RFMF to return to democracy ASAP so mil/mil relations can also return to normal ASAP. Mere threats of sanctions didn't work before the coup and will not work to motivate a return to normalcy. End summary.

RFMF motives to "clean up" Fiji

12. (C) Last week's military coup in Fiji had multiple motives. Commodore Bainimarama and his senior leadership appear to truly believe that the government of PM Qarase was irredeemably rotten: deeply corrupt, horribly racist, totally committed to protecting those who engineered Fiji's coup in 2000, and intent on forcing through controversial legislation at the risk of dangerous divisions in society. Pretty clearly, the senior RFMF leadership was also intent on countering the efforts of Qarase and Police Commissioner Hughes to confirm the subordinate status of the RFMF under Fiji's Constitution and to bring criminal charges against RFMF leaders for subversion. Thus, to the RFMF leaders, a "clean up" of government was essential, to bring a new, bright future for Fiji; and the aim was to do so without shooting.

Way too dark a lens

13. (C) Actually, only a relatively small minority here seem to have viewed Fiji's situation through such a dark lens. In fact, when Qarase created a truly multi-party, multi-ethnic Cabinet after last May's elections, the atmosphere in Fiji became quite upbeat. Certainly, difficult issues of race,

corruption, and nationalism remained, but it appeared political leaders were grasping the opportunity to deal with them within the democratic system. No unbiased observer could have judged the situation two months ago was so dire that a wrenching, illegal military overthrow was essential. But it has occurred. This cable analyses the potential pluses and minuses of the coup for the RFMF, Fiji, and the international community.

Pluses -- with comments

14. (C) Embassy Suva has no doubt that the RFMF coup is a disaster in a number of respects, as described below; but the coup perpetrators insist their goals are noble. Below, we consider possible benefits and counter-arguments.

Corruption. Bainimarama has been scathing of PM Qarase and his "cronies" for being involved in corrupt practices. The RFMF, without search warrants, is rummaging through the offices and homes of those it believes are implicated. No doubt corruption exists, and very likely Qarase's SDL Party has dirt attached. One allegation suggests a plum airport contract to Strategic Air Services Ltd included large slush payments to SDL coffers. Another allegation suggests the SDL stood to gain from issuance of a second cell-phone license. If the RFMF were pure and if it were to encourage a legally-enforceable clean up, that would be a plus. However, skeptically, the RFMF has a slimy history, too. One obvious example: the Army has for many years refused all Auditor General requests to look at the books for regimental funds. And warrantless searches that could not be used in court are a strange way to "clean up" corruption.

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Electoral reform. International observers judged last May's elections to be generally free and fair. The RFMF, which had campaigned loudly against Qarase's SDL only to see the SDL win an overwhelming preference from ethnic Fijians and a majority of parliamentary seats, alleges widespread fraud. The RFMF reportedly intends to conduct a census (once intended for 2006, already rescheduled for 2007) and revise electoral laws and regulations prior to holding new elections. Reforms, within the current constitutional framework, would be useful, and Australian and New Zealand were providing assistance with Qarase's encouragement. Sanctions may slow that effort. Larger-scale reforms, like removing all race-based voting from the Constitution, would be truly revolutionary and would trigger intense concerns from both major ethnic groups. In the end, it is very possible that, unless the RFMF manipulates voting, the next election will bring in an SDL-like crowd again.

Ethnic divide. The British created Fiji's ethnic divide, and colonial policies encouraged it. Since independence, all three Fiji constitutions have included racial distinctions. Qarase pushed "affirmative action" for ethnic Fijians. Bainimarama opposed Qarase's reconciliation bill, calling it racist. No doubt Fiji desperately needs racial reconciliation. The RFMF's interim PM says that tops his agenda. To the extent the RFMF delivers, it will be a plus for Fiji. However, the RFMF, itself, is almost entirely ethnic-Fijian in makeup, in contrast to Fiji's police. "Practice what you preach" comes to mind. A worrying element is that, within the ethnic-Fijian communities, rumors are spreading that ethnic-Indians were among those whispering sedition in Bainimarama's ear. The coup is stimulating yet another play of the race card, a volatile game.

The Chiefs. The British embellished a loose traditional chiefly system into an arm of government. The Great Council of Chiefs (GCC) and the Native Lands Trust Board (NLTB) that the GCC heavily influences have major control over how communal land (about 90% of Fiji's total) is utilized, and reportedly the chiefs garner most of the benefits. To the extent the RFMF could reform the GCC and NLTB into more

effective mechanisms for assisting the common Fijian, that would be good. It would also be extremely difficult. Touching the GCC and NLTB, seen by many as protectors of Fijian rights against Indian and Western usurpation, would stir fears in the ethnic-Fijian community of Indian dominance and could spark instability.

Land reform. The Fijian communal ownership of most land makes outside investment difficult. Qarase's goliqoli bill was attempting to include beaches and water out to the reef edge under the NLTB umbrella. It could have made transparent a now-opaque process of "good will" payments to local chiefs, but it could also have increased complexity for many. To the extent the RFMF could "clean up" the land issue, Fiji's economic prospects, particularly in tourism, might flower. But, again, such a clean up could stir fears in the ethnic-Fijian community.

Civil Service reform. Fiji's civil service is bloated and very inefficient. Qarase endorsed the idea of reform but never had the political will to achieve it. The RFMF's PM says this is high on his list. Today he announced a 10% cut in the PM's salary. Qarase has pointed out, rightly, that cutting significant numbers of jobs and/or taking major whacks at salaries will be very difficult politically.

Crime control. Police Commissioner Hughes (an Aussie) made great strides in professionalizing the Fiji Police, Qarase stayed out of the way, and crime statistics improved until recent months when reports of home invasions by gangs of thugs increased. Bainimarama says the RFMF and Police will work together to control crime. So long as the Army is patrolling streets with firearms, that may well happen. Historically, though, when the RFMF had influence over the Police, professionalism declined. An example is former Police Commissioner Savua, an Army man, who declined to put police in Suva's streets during the 2000 coup, thus allowing rioting to occur unimpeded.

PKO. Bainimarama has signaled strong interest in expanding the RFMF's role in international peacekeeping, including by joining the "coalition of the willing" in Iraq (MNFI). The Qarase Government, nervous about Bainimarama and at times seemingly trying to bait him, slowed the bureaucratic process on a variety of RFMF priorities, including MNFI. Now in

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control, Bainimarama seemingly can do what he wants on PKO deployments. In the longer term, public unhappiness with the RFMF's acting like thugs could bring, under renewed democracy, an attempt to scale back the size and abilities of the RFMF.

Minuses -- with comments

15. (C) Coups that remove democratic governments raise a variety of worrisome issues. For Fiji, history accents the problems. This is Fiji's fourth coup in 20 years (2 in 1987, one in 2000, and now).

Undermining the Constitution. This blatantly illegal subversion of Fiji's constitutional system undermines rule of law, and reaffirms to future leaders that coups are OK. It asserts that the powers of the RFMF Commander are unlimited, contrary to the 1997 Constitution. It leaves unclear what roles the people, including civil society, can play.

Bill of rights. In the attempt to manage its "peaceful transition," RFMF leaders have used strong-arm tactics to intimidate those who speak publicly against the coup. They have also threatened the media. And they have engaged in repeated warrantless searches. All those steps clearly violate the "bill of rights" provisions of Fiji's Constitution. NGOs had recently been thriving. A number have spoken out loudly against the coup and for the rule of law. The RFMF has been working tirelessly to silence such

comment, thus far mostly using threats rather than overt force.

Economic effects. Tourism had become Fiji's biggest economic engine. With the coup, airlines and hotels have seen a dramatic drop in bookings. Reportedly, numerous potential foreign investors have retreated. After the 2000 coup, tourism took two years to rebound. More broadly, Fiji economists figured the first three coups set Fiji's economy back at least 20 years. Undoubtedly, some risk-takers will flow in to grasp opportunities forsaken by others, but the net effect will surely be devastating in the short to medium term.

Brain drain. After the 1987 coups, the best and brightest from the Indian community grabbed every opportunity for visas to Australia, New Zealand, and the United States. After 2000, that trend accelerated. One of the causes of Fiji's public-service ineptness is that most of the best bureaucrats fled years ago. One must ask what sort of talent the RFMF will attract to its interim government via newspaper ads, and how much truly good governance the RFMF can foster without quality bureaucrats. This time, even expat businessmen who stuck it out through the past 20 years are saying "three was enough; I'm leaving."

The judiciary. Fiji has prided itself on an independent judiciary. A judicial faction was deeply disturbed by evidence that in 2000 a few judges provided advice to Bainimarama, Ratu Mara, and others on how to convert the Speight coup into a "constitutional" removal of then-PM Chaudhry. In 2006, we are hearing credible rumors that those judges who criticized colleagues in 2000 have been encouraging Bainimarama's coup and advising how to try to color it as legal. One of those judges presided over a 2000-related criminal trial in recent weeks. If/when all that becomes public, the Fiji judiciary's credibility will suffer a blow. To the extent Bainimarama succeeds in quashing police and public-prosecutor efforts to bring criminal charges against himself and the RFMF, the judicial process will be further weakened.

Fiscal responsibility. During the Qarase era, Fiji's national budget has been in deficit every year, in part because the PM was attempting to stimulate economic growth, in part because of a bloated civil-service. The RFMF, too, has a history of spending beyond its budget. Reportedly, Bainimarama has gone way into the red to finance the current coup effort. It is not at all obvious that a military-oriented government is the solution to Fiji's fiscal crisis. Historically, coups have stimulated outflow of private money from Fiji, as rapidly as possible. The Reserve Bank has put controls in place, as it did in 2000, to stem that tide.

RFMF reputation. The approach Bainimarama and his senior RFMF leaders have taken during the past year or more has

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tarnished the military's reputation, perhaps irreparably.

-- Information ops. Repeatedly Bainimarama and his RFMF spokesman have made statements to the media that are simply false. Sometimes when confronted, they respond that they never made the statements. Sometimes they simply add on more lies.

-- Knee-jerk decisions. Bainimarama is not afraid to make decisions and he appears to make them rapidly. However, often it appears he has not thought through the consequences or considered alternatives. As a result, the RFMF frequently has to make corrections. Examples in the past week include openly attempting to control the press, then reverting to more subtle intimidation efforts; and moving to evict VP Madraiwiwi instantly from his official residence, then saying never mind. On the other hand, the actual coup plan appears

to have been percolating behind RFMF scenes for quite a while.

-- Bullying. To Bainimarama's credit, he seems intent not to engage in overt violence if possible. On the other hand, he and other leaders are using threats constantly, trying to dissuade opponents of the coup from complaining publicly or building support for resistance. Some intimidation has been "stop or else" language; in some cases, words have been combined with a bit of force; one female human-rights advocate received a very nasty telephoned rape threat.

-- "Yes men." Bainimarama has a thin skin and he does not like criticism. For several years, he has shunted aside those who have expressed dissent within the RFMF. Others have departed of their own accord. The result is a group of "yes men," who do not provide the boss a range of views.

What the coup means outside Fiji

¶6. (C) The international community, led in particular by Australia and New Zealand, is imposing tough sanctions to evidence displeasure about the coup and to urge a return to democracy and rule of law ASAP. Given the coup's many negative consequences, as noted above, such pressure is very appropriate. Fiji leaders, including Vice President Madraiwiwi, have urged such international efforts, though some in the business community have argued against.

U.S. sanctions: the tougher, the better for normalcy

¶7. (C) Under U.S. law, we must halt all FMF, IMET, GPOI, and ESF assistance until free and fair democratic elections bring a new government to power. Washington is considering more extensive sanctions as well. From our perspective, the U.S. aim should be to motivate the RFMF to a return to democracy ASAP, so our relations, including mil/mil relations, can return to normal ASAP. To us, that indicates U.S. sanctions should be tough and expansive, clearly signaling "no mil/mil business as usual," within whatever constraints Washington considers clearly necessitated by important PKO requirements in the Middle East. Mere threats will have no effect, as our pre-coup threats of sanctions illustrated. In addition, imposing a travel ban on all those in the RFMF leadership who have had a hand in the coup, and on participants in an interim government, would have real effect, especially since Australia and New Zealand are doing the same.

U.S. business interests suffering

¶8. (C) The U.S. commercial relationships with Fiji are suffering from the coup. Several major U.S. hotel companies have investments or management contracts with Fiji resorts. The tourism sector is gasping for breath as consumers, with a global menu, choose destinations other than Fiji. We expect potential U.S. investors are also turning their attention elsewhere.

Fiji relations with Australia and New Zealand troubled

¶9. (C) The coup has significantly bruised the relationship between Fiji and its nearest Western neighbors, Australia and New Zealand. This has been in part a deliberate effort by Bainimarama to drum up "defense of sovereignty" support from the general public by alleging a "foreign invasion" is in the works. In part, some of Australia's and New Zealand's political leaders contributed to the problem, as when FM Downer appeared patronizing and PM Howard needlessly announced publicly he had rejected a Qarase request for

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military help. Presumably, over time the bruises will heal. Still, the two nations the U.S. has expected to do the most to help promote and protect Western interests in this part of the Pacific are perceived to have stumbled.

The China and other cards

¶10. (C) The RFMF's interim PM has played the "China card," suggesting that Western sanctions will simply cause Fiji to turn to friends in Southeast Asia, Taiwan, and China for support. With the Commonwealth, the UN, the Pacific Islands Forum (PIF), the EU, and a host of others lined up against the coup, the RFMF's interim administration may find itself with very limited options. The PRC's public reaction to the Fiji coup has been muted, but China would have to dramatically increase its assistance to bridge the sanctions gap. Malaysia, the main Fiji friend in Southeast Asia, has said it joins the Commonwealth in opposing the coup.

To conclude

¶11. (C) As the post-coup political process here plays out, it will primarily be Fiji's ethnic-Fijian population that determines the outcome. Ethnic-Fijian politics and decision-making processes are often opaque. Still, we figure international actors can have influence. We will continue to maintain contacts broadly and will try to encourage as rapid and progressive an outcome as possible given the circumstances.

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